

Date: Monday, March 23 2020 02:54 AM
 Subject: RE: Concession request letter
 From: Thwaytes, Spencer <Spencer.Thwaytes@flyfrontier.com >
 To: Jane O'Callaghan <jane.ocallaghan@amck.aero >;
 Attachments: image001.png

Hi Jane,

We appreciate your understanding of this grave situation for Frontier and the entire aviation industry. We will all need to work together to get through this.

For Frontier, the critical financial challenge is dealing with a significant drop in revenues (and corresponding cash inflows) for an unpredictable amount of time. Accordingly, we are requesting that business partners across all of our departments (not just aircraft lessors) provide payment deferrals and in many cases rate reductions, in order to enable Frontier to endure through the grave situation.

As our largest lessor, it's very important that AMCK provide the requested payment deferral, so I respectfully request that you please reevaluate our request. It's vital that all our business partners participate in the program. The refusal of a partner of your size to fully participate could have a far reaching impact on the program and our mutual success.

We're available to discuss if needed.

Thank you.

Spencer

From: Jane O'Callaghan <jane.ocallaghan@amck.aero >
Sent: Wednesday, March 18, 2020 2:48 PM
To: Thwaytes, Spencer
Subject: Re: Concession request letter

Dear Spencer,

Thank you for your letter dated March 16th. As you rightly state, the situation at the moment is very troubling, especially for the people directly affected by the virus, and of course for our industry which seems to be bearing the brunt of the economic impact.

You may appreciate that we are receiving numerous requests for assistance from our clients. As a mid-sized leasing company with secured banking facilities, we have some limits to our ability to forego rental payments completely. Our approach is to be constructive with our clients, and to design a support package that is proportional to the impact that each client is faced with as the result of the decline in bookings.

We would like to make Frontier a proposal for assistance on your rental payments. While we recognize the gravity of the situation, I need to ask you to also think of how this affects a lessor like AMCK, particularly following our acquisition at \$51M of a new A320neo from you earlier this week. There is a limit, mostly imposed by our lenders, on how much we can defer rental payments even with the best of intentions when so many of our clients are asking us for help.

This is our proposal on the 15 aircraft we have leased to Frontier:

- Payments on the 1 x A320ceo and 2 x A320neo that we are novating to Merx and Amedeo to be current. Frontier to cooperate in closing the sales as soon as possible.
- On the remainder of the aircraft (12 in total) 50% rent deferral for 3 months, commencing from 1 April.
- No deferral on the remaining 5 x A320neo we are scheduled to purchase from Frontier per the recently executed Framework Agreement in the coming months
- Frontier to pay the deferred amount in equal installments over 4 months from the month following the last month of rent deferral with 8% interest per annum from each of the payment dates.

We will forward under separate copy a list of questions which are geared to better understanding Frontier's ability to weather this extraordinary situation, but also to appreciate what contributions other stakeholders are making to Frontier.

We are ready to discuss with you at your convenience.

Best Regards,

Jane

Jane O'Callaghan | Chief Commercial Officer

M: +353 86 8516851

T: +353 1 517 0164

E: jane.ocallaghan@amck.aero



First Floor

28-29 Sir John Rogerson's Quay

Dublin D02 EY80, Ireland

www.AMCK.aero

On 16 Mar 2020, at 23:31, Thwaytes, Spencer <Spencer.Thwaytes@flyfrontier.com> wrote:

Dear Jane,

Please see the attached concession request letter.

We would be grateful for your response by March 18, 2020.

In the meantime, Frontier's team remain available in case you have any questions you would like to discuss.

Spencer

Spencer Thwaytes

VP and Treasurer – Treasury, Fleet and Strategic Sourcing/Procurement

P: 720.374.4578

M: 850.766.9736

E: spencer.thwaytes@flyfrontier.com

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<Concession Request Letter -- Frontier (3-16-20)_AMCK.pdf>

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